

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

May 27, 1998

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II. ORDER APPROVING 40% REDUCTION FILINGS

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TIDEWATER TELECOM, INC. Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-251
BRYANT POND TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-252
OXFORD WEST TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-253
SACO RIVER TELEGRAPH & TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-259
NORTHLAND TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-267
SIDNEY TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-268
PINE TREE TELEPHONE AND TELEGRAPH COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-272
MAINE TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-349
STANDISH TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-352

III. ORDER REJECTING INITIAL FILINGS

NORTHLAND TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-023
SIDNEY TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-024
UNITEL, INC. Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-033
BRYANT POND TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-061
OXFORD WEST TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-062
SACO RIVER TELEPHONE & TELEGRAPH COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-065
LINCOLNVILLE TELEPHONE COMPANY Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-088
TIDEWATER TELECOM Proposed Rates for Intrastate Access Service (40% Reduction)	Docket No. 98-089

WELCH, Chairman; NUGENT and HUNT, Commissioners

In this Order we approve separate access charges for 21 of the 23 independent telephone companies (ITCs) in Maine.¹ Between December 17, 1997 and May 6, 1998, the ITCs (who are also incumbent local exchange carriers (ILECs)) that are listed in Parts I and III of the captions above filed their own individual access charges with the Commission. Until now, the ITCs have not had individual access rates, but, as required by Chapter 280, § 8(C), have concurred in the access rates of New England Telephone and Telegraph Company d/b/a Bell Atlantic-Maine (BA-ME).

¹We will address the anticipated filing by Union River Telephone Company, the initial filing by Community Service Telephone Company (CST) (Docket No. 98-117) and the request for a waiver by CST (Docket No. 98-157) in separate orders.

Late in 1997, Bell Atlantic notified the independent telephone companies that it would not renew the existing settlements contracts between BA-ME and the ITCs. Accordingly, the ITCs filed their own access rates. We refer to these filings as "initial filings." Interexchange carriers (IXCs), including Bell Atlantic, will pay the approved access rates directly to the ITCs for the use of the ITCs' networks for origination and termination of the IXCs' intrastate calls. The ITCs claim that the rates in the initial filings are designed to produce for them approximately the same amount of revenue as previously provided through settlements. We have reviewed these initial filings and have determined that they use a reasonable methodology for calculating the amount that the ITCs have stated they will produce, i.e., present settlement levels. We find that the rates are reasonable and approve the rates proposed by the ITCs listed in Part I of the captions, as described in Part I of the Ordering Paragraphs below. We do not approve the initial rates filed by the ITCs listed in Part III of the captions because those ITCs filed "40% reduction" rates (described below) that supersede those ITCs' initial filings.

Between March 20, 1998 and May 6, 1998, the ITCs listed in Part II of the captions above filed revisions to the originally filed access rates. These proposed rates were filed to comply with the requirement of chapter 280, § 8(J)(2)(c) of our rules. That provision states that by May 30, 1998, local exchange carriers must reduce their access rates by 40 percent of the difference between their current rates and the rates which must be in effect by June 30, 1999 according to subsection J(2)(d) of Section 8, i.e., the "level of interstate access rates (or interstate NECA pool disbursements)." We refer to these filings as "40% reduction filings." Those ITCs that filed 40% reduction rates all chose to reduce their rates by 40% of the difference between (1) their proposed initial rates (or, where they did not file initial rates, the level of existing settlements revenues) and (2) the ultimate rates required by the second alternative of section 8(J)(2)(d)(NECA pool disbursements).

Several companies (those listed in Part I of the captions) filed letters stating that they did not need to file 40% reduction rates because their initial filings were already at or below the level of NECA pool disbursements.

We find that the 40% reduction filings of those companies that filed them are reasonably calculated, and we approve them as described in Part II of the Ordering Paragraphs below. The 40% reduction filings of those companies that made them supersede their earlier initial filings. We therefore reject the initial

filings by those companies, as listed in Part III of the captions and the Ordering Paragraphs.

We also find that those ITCs that did not make 40% reduction filings have reasonably represented that they do not need to, because their initial filings produce rates that are at or below the NECA pool disbursement level.

Section 8(B) of Chapter 280 requires "other LECs" to concur in the switched access and applicable private line and special access schedules of Bell Atlantic. That requirement of the Rule was obviously based on an assumption that settlements of toll revenues between Bell Atlantic and the ITCs would continue. The assumption is no longer valid, and we therefore grant a waiver from this requirement pursuant to Chapter 280, § 15.

Bell Atlantic-Maine and the Public Advocate filed petitions to intervene in these cases. All petitions to intervene are granted. Bell Atlantic has raised a question about the validity of the second alternative (the NECA-disbursements alternative) of chapter 280, § 8(J)(2)(d), arguing that 35-A M.R.S.A. § 7101-B(2) requires the access levels of all LECs to be "less than or equal to interstate access rates established by the Federal Communications Commission" by May 30, 1999. BA-ME has agreed that it will not oppose the present implementation of ITC access rates that use the NECA disbursement level as the ultimate target, provided that the Commission examines the validity of the NECA disbursements alternative as soon as practicable during the coming year. We agree that this question should be addressed and BA-ME, as well as other IXCs, will be invited to participate fully. We plan to address that issue in a timely manner so that ITCs will have sufficient time to calculate their access charges for May 30, 1999; those filings are due 120 days prior to May 30, 1999.

O R D E R I N G P A R A G R A P H S

I. INITIAL FILINGS

Where applicable, we lift the suspensions issued pursuant to 35-A M.R.S.A. § 310 and **ORDER** approved the initial access charge filings of the following independent telephone companies, all with an effective date of May 30, 1998:²

²The Telephone Association of Maine (TAM), on behalf of the ITCs, has stated that a few ITCs may have difficulty billing for all traffic after May 30, 1998 or that they may have other short-term operational problems. In all likelihood, any issues of this type may be resolved by delayed billing, estimated

Mid-Maine Telecom Company (Docket No. 97-959)
West Penobscot Telephone Company (Docket No. 98-036)
Warren Telephone Company (Docket No. 98-037)
Somerset Telephone Company (Docket No. 98-038)
The Island Telephone Company (Docket No. 98-039)
Hartland & St. Albans Telephone Company (Docket No. 98-040)
Hampden Telephone Company (Docket No. 98-041)
Cobbosseecontee Telephone Company (Docket No. 98-054)
Oxford County Telephone Company (Docket No. 98-063)
China Telephone Company (Docket No. 98-351)

II. APPROVAL OF 40% REDUCTION FILINGS

Where applicable, we lift the suspensions issued pursuant to 35-A M.R.S.A. § 310 and we **ORDER** approved the 40% reduction filings of the following independent telephone companies, all with an effective date of May 30, 1998:³

Unitel, Inc. (Docket No. 98-212)
Lincolntonville Telephone Company (Docket No. 98-250)
Tidewater Telecom, Inc. (Docket No. 98-251)
Bryant Pond Telephone Company (Docket No. 98-252)
Oxford West Telephone Company (Docket No. 98-253)
Saco River Telegraph & Telephone Company (Docket No. 98-259)
Northland Telephone Company (Docket No. 98-267)
Sidney Telephone Company (Docket No. 98-268)
Pine Tree Telephone & Telegraph Company (Docket No. 98-272)
Maine Telephone Company (Docket No. 98-349)
Standish Telephone Company (Docket No. 98-352)

billing or other arrangements between the ITCs and the IXC's, without altering the effective date of the rates approved herein. Nevertheless, if an ITC has good cause to request a delay of the effective date of its access rates, or other appropriate relief, it may make a request to the Deputy Director of Finance, to whom we delegate authority to grant such a delay or other relief.

³See footnote 2. In addition, any request for delay of the effective date of any rate approved in this Part II (the 40% reduction rates) must be accompanied by a plan (or agreement with IXC's) that ensures that IXC's ultimately pay at the levels represented by the approved rates.

III. INITIAL FILINGS NOT APPROVED

The initial filings of the following companies are rejected because they have been superseded by 40% reduction filings that we approve in Ordering Paragraph Part II above:

Northland Telephone Company (Docket No. 98-023)
Sidney Telephone Company (Docket No. 98-024)
Unitel, Inc. (Docket No. 98-033)
Bryant Pond Telephone Company (Docket No. 98-061)
Oxford West Telephone Company (Docket No. 98-062)
Saco River Telegraph & Telephone Company (Docket No. 98-065)
Lincolnvile Telephone Company (Docket No. 98-088)
Tidewater Telecom (Docket No. 98-089)

IV. WAIVER OF CONCURRENCE REQUIREMENT OF CHAPTER 280, § 8(C)

Pursuant to our authority in Chapter 280, § 15 to exempt or waive, for good cause, any requirement of Chapter 280, we waive the requirement of Section 8(C) that the local exchange carriers described in this order concur in the access schedules of New England Telephone and Telegraph Company (NET) d/b/a Bell Atlantic-Maine. We grant the waiver because that requirement was predicated on the assumption that NET and the independent telephone companies (ITCs) named in this Order would continue the settlements of toll revenues. Because NET has canceled the settlements contracts between itself and the ITCs, the requirement is no longer valid.

Dated at Augusta, Maine this 27th day of May, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent

COMMISSIONER ABSENT: Hunt

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note:The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.